

EXHIBIT 7
DATE 3-23-09
HB 658

F. H. STOLTZE LAND & LUMBER CO

March 23, 2009

Testimony to the House Taxation Committee
Representative Bob Lake, Chair

RE: HB 658: Mitigating the Effects of Property Tax Reappraisal

Mr. Chairman and Committee Members:

My name is Jeff Clausen and I live in Whitefish, and I am representing F. H. Stoltze Land and Lumber Co. I will limit my testimony to the mitigation effects as they concern Class 10 property (timber land).

Just for background information, F. H. Stoltze owns 37,900 acres of timber land in Northwest Montana and has been actively managing that land for close to one hundred years. Stoltze was one of the original cooperators with the Department of Revenue during the formation and installation of the productivity tax on timber land back in the early '90's.

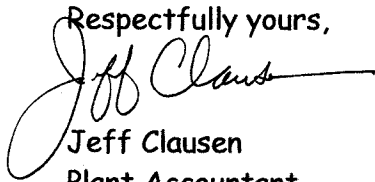
Based on data submitted to us by the Department of Revenue, Stoltze timber land valuation will increase on average by 42% in Flathead County, 56% in Lake County and 91% in Lincoln County. The Joint Select Committee on Reappraisal and members of this tax committee are to be commended for their efforts to mitigate these valuation increases through adjustments to the taxable percentage.

Stoltze is also pleased to see language in the bill mandating the formation of a "Forest Lands Taxation Advisory Committee." It is imperative that timber land owners are once again part of the process as they were in the early '90's. We do ask that the scope of the committee as outlined in 15-44-103 subsection 10(c) i MCA, be broadened to address both the subsection #5 "Net Income" and #6 "Capitalization Rate". These two critical items have a profound effect on timber land valuation and should be subject to the scrutiny of the committee. Please consider adding the aforementioned sections to subsection 10(c) as follows:

"(i) review data required by subsections (2), (3), (4), (5), (6), (8) and (9) including data on productivity value, stumpage value, wood production, net income, capitalization rate and agriculture related income."

Property tax issues always seem to be contentious. Stoltze appreciates your time and endeavors in this difficult subject area. We hope you consider our proposals and pass the HB 658 as amended. Thank you.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "Jeff Clausen", written in dark ink.

Jeff Clausen

Plant Accountant

F. H. Stoltze Land & Lumber Co



Montana Tree Farm System
PO Box 17276
Missoula, MT 59808

March 23, 2009

Testimony to the House Taxation Committee
Representative Bob Lake, Chair

RE: HB 658 to Mitigate Reappraisal Impacts

Mr. Chairman:

Please accept the following comments relating to HB 658 on behalf of the Montana Tree Farm System and its members. Through the hard work of the members of the Joint Select Committee on Reappraisal and the members of this committee, we feel that HB 658 is a good step towards mitigating the impact of reappraisal on landowners in Montana.

Class 10 forest land assessed values have increased substantially, on an average of 43% state wide, per the 2009 reappraisal. We feel the 2009 reappraisal does not accurately and fairly represent actual forest land values for the State of Montana. However, HB 658 contains sufficient mitigation measures and with the formation of a "Forest Lands Taxation Advisory Committee", we are optimistic that the issues surrounding forest land appraisal can be adequately addressed before the next reappraisal cycle.

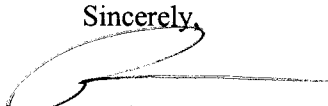
With respect to the proposed "Forest Lands Taxation Advisory Committee" language in Section 13 of HB658, Modifications to Section 15-44-103 Subsection 10 (c)(i) MCA [Pg 20 line 5 of the printed bill]. We ask for a minor modification of this language to include subsections (5) and (6) of the referenced statute to the list of subsections that will be available and appropriate for the Advisory Committee to review. Language suggested as follows:

"(i) review data required by subsections (2), (3), (4), (5), (6), (8), and (9), including data on productivity value, stumpage value, wood production, net income, and agriculture-related income."

Without this modification, the committee may not be able to review the "Net Income" data nor the "Capitalization Rate" data that drives the reappraisal process. Without the opportunity to participate in review of these two very important data sets, the value of the advisory committee is minimal.

Once again, thank you to the committee for your hard work in dealing with very difficult issues. We urge you to pass HB 658 with the proposed modification to the section outlined above. We look forward to the formation of the "Forest Lands Taxation Advisory Committee" and would be glad to serve on that committee if asked. We also look forward to improving the accuracy of future reappraisal cycles.

Sincerely,



Paul R. McKenzie
Chairman
Montana Tree Farm System